

Claire Callender



Claire Callender (BSc, PhD) is Professor of Higher Education Policy at Birkbeck, University of London and co-director of the Birkbeck Institute of Lifelong Learning. She is an expert on student finances in higher education and has written widely on this topic. Claire has undertaken research for some of the most significant inquiries into student funding in the UK and been called upon to give evidence to the House of Commons Education and Skills Select Committee on several occasions. She was appointed a member of the Academy of Learned Societies for the Social Sciences in 2003. Claire was awarded a Fulbright New Century Scholarship for 2007-08 and was a Visiting Scholar at Harvard Graduate School of Education conducting comparative research on student

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funding. Claire is currently conducting three major pieces of research: a longitudinal study of part-time undergraduate students and career-making, including an investigation into employers' attitude to part-time study; a study examining the awareness, take-up, and impact of institutional aid in England; and a study exploring the factors facilitating and inhibiting the supply of part-time HE provision.

In your view, what is the most probable or desirable future scenario for financing of higher education?

It is probable that the current cap of £3,000 on the tuition fees will be raised for English domiciled full-time undergraduate students attending Higher Education Institutions (HEIs) in England. This is likely to be one of the outcomes of the planned government review of student finances which will begin sometime in 2009. Like the Dearing Report in 1997, the findings from the 2009 review probably will not be published until after the next general election because of political sensitivities surrounding student finances. Consequently, the earliest these changes could come into force would be 2011.

The cap on tuition fees could rise to anything between £5,000 and £10,000. It is, however, very unlikely that the cap will be lifted completely. This would create greater variability in the tuition fees charged by universities, which failed to occur when the new variable rates of tuition were first introduced in 2006.

One of the main obstacles to raising (or lifting) the cap is the costs to the Exchequer. Currently all undergraduate students are eligible for government-funded student loans to cover all their tuition fees, and the vast majority of students take out these loans. The current level of government loan subsidy is around 33% due to the zero interest rate on student loans and debt forgiveness. This could be overcome by introducing commercial rates of interest on the loans and/or restricting eligibility to student loans for tuition, and potentially for living costs. Neither is currently favoured by government because of their potential impact on middle class families; student debt levels; and HE participation rates especially, among students from low-income backgrounds.

In your opinion, what is or should be the most important objective for higher education in the future? Why?

The generation and dissemination of knowledge, through research and teaching.

What do you consider to be the main future challenge(s) for higher education systems? Why?

1. Funding of the HE sector and undergraduate student financial support

In the medium to longer term, central government funding for the HE sector as a whole is likely to decline, despite rising costs. This will affect both the funds received by HEIs from central government, as well as the level of government subsidies for undergraduate student financial support. It is likely therefore, that HEIs will have to raise more of their income through tuition fees. At the same time, there is likely to be less help for undergraduate students from central government to pay for these tuition fee increases. For instance, the current system of student financial support is probably unsustainable in the medium to longer term, particularly the subsidized income contingent loans with zero rates of interest available to all undergraduate students to pay for their tuition fees and their living costs. Thus, a radical overhaul of government student aid may well be required. The challenge will be to devise a new system of student aid that is sustainable and at the same time is progressive, equitable, and does not have an adverse impact on HE access and participation rates of students from low income backgrounds.

2. Greater polarization within the HE sector

The HE sector is becoming increasingly polarised with undergraduate students from low-income backgrounds and minority ethnic groups becoming increasingly concentrated in the least prestigious HEIs. Conversely, white undergraduates from high income families are concentrated in the most prestigious research intensive universities that currently receive around three-quarters of all research funding. As competition for students intensifies with the demographic downturn of 18 year old high school leavers, this polarisation is likely to increase. If, as predicted, government funding declines and tuition fees increase, the most prestigious universities will be able to charge much higher fees while the less prestigious institutions will become even more dependant on declining government funding. The concerns are whether this, along with greater competition within the HE sector, will lead to growing inequality in access to high quality HE provision, and how reputation trumps quality.

3. Threat to part-time undergraduate provision

This is an English phenomenon. Recent government policy changes threaten the provision of part-time undergraduate HE. The government has withdrawn funding from HEIs providing part-time courses, where the student has a qualification equivalent or lower to the qualification (ELQ) they are taking (e.g. an HEI now receives no funding from government for a student who already has a Bachelors degree and undertakes a second Bachelors degree). This is likely to lead to a decline of part-time provision, at a time when the demand for re-skilling the workforce is increasing. It is most unlikely that employers will pick up the increasing costs, despite calls for greater employer-engagement in HE.

In your opinion, what would be the worst, but possible, way to tackle these future challenges? Why?

The worst way of tackling both the HE funding problem and growing polarization in the sector would be an over-reliance on higher tuition fees and the resurrection of high financial barriers to HE entry due to inadequate financial support for students from low and middle-income families. This would undermine many of the achievements of the HE sector attained over the last 20 years.

The worst way of dealing with the threat to part-time undergraduate provision is to ignore the issue, and for policies to assume that all undergraduate students are high school leavers studying full time - the dominant model informing HE student funding (and other HE) policies.

What do you consider to be the best possible way to tackle the above mentioned future challenges? Why?

The best way of tackling the HE student funding system is to ensure that any rises in tuition fees and changes in student financial support do not have an adverse impact on access and the participation of students, especially from low-income families. There is a widespread belief that the 2006 changes to student funding in England, especially the threefold increase in tuition fees, has had little or no impact on participation rates. Yet, England has no robust research evidence for such assertions, nor an understanding on how these changes may impact on the behaviour and educational choices of high school students, undergraduates, graduates, and postgraduates. Most research focuses on undergraduate students who have entered HE, rather than on non-participants - especially those who have attained the appropriate HE entry qualifications but decide not to enter HE. Similarly, there are widespread assumptions that the returns of HE unquestionably justify the increasing costs of HE, despite research showing that these returns vary considerably by the type of HEI attended, even when academic ability is taken into consideration - another dynamic of the increasing polarization of the HE sector.

The best ways of confronting the issue of part-time provision would be first, to revoke the current ELQ policy. Secondly, to introduce a student financial aid system that is mode- neutral i.e. part-time students would get the same pro-rata financial support as students studying full time. This is unlikely to happen because of the costs. However, eligibility to the current limited financial support available to part-time undergraduate students could be improved so that more than the existing one in five part-time students became eligible for financial support. The key challenge is to ensure that any such changes do not act as a disincentive for employers to contribute to the costs of part-time students' tuition fees and study costs - anywhere between 7% to 30% of all part time undergraduates currently receive some help with these costs from their employer.